4:Grajdanzev--62 S-4 (no date) 1942 Formosans
116, 241, 477, 427

"More than 110,000 ko of land are under control of the companies which for the most part they lease to the tenants. As will be shown later there is strong competition between tenants in Taiwan, and if the company does not supply the tenant with land, he may be ruined. He must therefore get land from the company and raise sugar cane on the conditions dictated by it."

4:Grajdanzev--69-70 S-4 (no date) 1942 Formosans
116, 231, 492, 427, 422

"Official sources say that there is about one animal per farming family. (1) But this

1. Taiwan Jijo, p. 478.

is inadequate. According to the official statistics for 1937, the number of farming families was 427,397. If we take this figure (it was mentioned above that the actual number of families should be larger) for 1938, then only 0.76 animal was available for each family, if only farmers had cows [70] and buffaloes. This figure includes calves, is also an average figure, and it will be shown later that the wealth of the farmers, at least as expressed in land, is not concentrated around the average. The important conclusion which follows is that at least half the farmers in Taiwan have no draft animals, but are compelled either to work without them or to hire them from the richer farmers. Those who are acquainted with rural life know that dependence on one's neighbour for plough animals is likely to create very serious problems."

4:Grajdanzev--75-76 S-4 (no date) 1942 Formosans
116, 311, 421, 427, 565

"Let us now turn to the investigation of the problem of tenancy. Its economic importance lies in the fact that (1) a large portion of the farmer's income is paid out for rent on land, and (2) the farmer is less interested in preserving the fertility of the land and in making improvements, because the land does not belong to him and may be taken from him at or even before the expiry of the lease. From the social point of view the phenomenon of tenancy is important in that it often creates an idle class of landlords or rich farmer-owners and a class of poverty-stricken tenants. The widespread existence of tenancy makes average figures for the agricultural population meaningless because on the extreme there are rich landlords and on the other poor tenants. In order to be able to judge more or less correctly the importance of tenancy we should know: (1) the number of farmer-owners, part-owners (i.e. those who own some land, but are compelled to rent additional acreage), and tenants; (2) the area which is farmed and the amount owned of that farmed by each of these groups; (3) the division of each of these groups into at least three [76] sub-groups—large, medium, and small—in order to see whether each of these groups is uniform since, for example, the tenant who rents one ko and the tenant who rents 50 ko belong to quite different groups; (4) the conditions of the rent. The available statistics for Taiwan throw light on but few of these elements."

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-1-4
116, 114, 178, 423, 427, 177.42 Japan
636.42

"The division of families occupied in agriculture into owners, part-owners and tenants may be seen from the following table: (1)

1. Here and in the following tables the official figures of families occupied in agriculture are used, though, as was pointed out, they are probably underestimates. The statistics of landowners in Taiwan should be more or less correct because the land is surveyed and change of title involves a complicated procedure. The statistics may be incomplete only as regards tenants and agricultural workers (which they omit completely), and if one takes these into consideration one comes to the conclusion that official statistics probably give a brighter picture than is justified.

Division of Agricultural Families in Taiwan
(thousands)

	1932	1933	1935	1937	1938
Owners	132.2	129.4	132.1	131.1	130.2
Part-owners	119.3	121.7	128.4	134.8	135.6
Tenants (2)	152.4	155.0	159.4	161.5	158.7
Total	403.9	406.1	419.9	427.4	424.5

Footnote (2) on next page.

Division of Agricultural Families in Taiwan [Cont.]
(thousands)

2. Those who have read Japanese Rule in Formosa by Yosaburo Takekoshi may be astonished to discover that there are tenants in Taiwan. Takekoshi wrote in 1905 '. . . The tenants [in Taiwan, after the reform by the Japanese administration] came to enjoy the absolute ownership of the land they or their ancestors have been farming for three centuries. Such a change certainly amounted to a social revolution. Most of the revolutions recorded in history required sacrifices, but the present one was entirely bloodless. This change has given the tenant absolute ownership, thus insuring securing of property. . . .' (p 132). But what Takekoshi described as a social revolution, was actually only a very modest reform: the government abolished the rights of the taiso--owners who had only doubtful title to land. This reform made transfer of real estate more secure and paved the way for Japanese penetration.

As percentages of total

Owners	32.7	31.9	31.4	30.7	30.7
Part-owners	29.6	29.9	30.6	31.5	31.9
Tenants	37.7	38.2	38.0	37.8	37.4
Total	100	100	100	100	100

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-3
116, 114, 178, 423, 427, 177.42 Japan
636.42

Source: Takumu Tokei, 1938.

[77] As this table shows, about forty per cent of all farmers in Taiwan own no land at all and must rent it from landlords and farmer-owners; about thirty per cent have plots so small that they are compelled to rent land, and barely thirty per cent of the farmers till only their own land. These figures are striking. Taiwan does not know rich tenants of the British type. Those who rent land are mostly poor farmers, but even those who cultivate their own land, are not all rich. As to the relative changes, there is a noticeable fall in the percentage of owners in six years--from 32.7 per cent in 1932 to 30.7 per cent in 1938. For the same period the percentage of tenants is the almost the same (37.7 and 37.4 per cent respectively), while the percentage of part-owners rose from 29.6 per cent to 31.9 per cent. It would seem that the farmer-owners are gradually losing their position and sinking to the level of tenants, but a six-year period is not a sufficiently long time to ascertain definitely whether such a trend exists.

However, it is not only the number of owners and tenants which is important, but also the area which they respectively till. Statistics of area are divided into only two categories—owned and rented.

4:Grajdanzev--76-78 S-4 (no date) 1942 Formosans-4
116, 114, 178, 423, 427, 177.42 Japan
636.42

Area Owned and Rented in Taiwan in 1932
(1,000 ko)

	Dry fields		Paddy		Total	
	Area	%	Area	%	Area	%
Owned	230.2	60.0	132.2	33.3	362.4	46.5
Rented	153.8	40.0	264.0	66.7	417.8	53.5
Total	384.0	100	396.2	100	780.2	100

Source: Nogyo Nenkan, 1939-40, p. 641.

In 1932 the area cultivated by owners constituted 46.5 per cent, the area rented by tenants 53.5 per cent. But it is important to emphasize that owners cultivated chiefly dry land while the tenants cultivated paddy. Paddy brings much higher yields than dry fields; in 1937 the average yield of rice per ko of paddy was about 14 koku while that per ko of dry land was only 7.8 koku, and, further, many paddy fields [78] produce two crops a year. In other words, one ko of paddy yields, on the average, more than twice as much as one of dry land, so that the tenants produce about sixty-five to seventy per cent of the total crop of Taiwan on rented land, and the owners not more than thirty-five to thirty per cent."

4:Grajdanzev--78-79 S-4 (no date) 1942 Formosans-1-3
116, 178, 427, 565

"As to the distribution of land between landowners by size of holdings, we have figures for 1930 and partial figures for 1932. We shall divide the farmers into four groups: (1) landowners with holdings of less than half a ko (less than 1.2 acre); (2) landowners with holdings of half a ko to one ko; (3) landowners with holdings of one ko to five ko; (4) those with holdings above five ko (above 11.9 acres).

Distribution of Landowners by Size of Holdings, 1930

Size of landholdings (ko)	0-0.49	0.5-0.99	1.0-4.99	5.0 and over	Total
Number (1,000)	172.9	86.7	122.4	23.1	405.1*
Percentage	42.7	21.4	30.2	5.7	100.0
Area (1,000 ko)	41.0	62.5	258.6	359.2	721.3
Percentage	5.7	8.7	35.8	49.8	100.0
Average area per holding (ko)	0.42	0.72	2.1	15.5	1.78

* It is important to note that the number of owners as given here is considerably greater than the number shown in more recent statistics. For 1932 the earlier figure was 340,674, whereas the current statistics (Takumu Tokei, 1938, published in 1940) give the number of owners and part-owners for 1932 as only 251,300; this is another indication of our point that the current official statistics probably understate the number of those occupied in agriculture.

Source: Ibid.

We see from this table that 42.7 per cent of the owners are decidedly small owners: their average holding is only 0.24 ko or less than 0.6 acre. They cannot exist on such a strip of land but must rent some land from rich landowners. In other words, almost half of the landowners are such in name only; they have enough land only for a house, a yard, and a kitchen-garden. Another 21.4 per cent of the owners are in a better position but not much better. Thus 64.1 per cent of the total number of landowners in Taiwan in 1930 had on the average less than 2.4 acres each. At the other end of the social scale, 5.7 per cent of the landowners owned 49.8 per cent of land, [79] or one-half of the total cultivated area. We may go farther and say that 126 persons (or corporations), 0.05 per cent of the total number of landowners possessed 94,072 ko—or 13.1 per cent of the total cultivated area. (1) Only thirty per cent of the owners are in the middle category. As regards

1. These figures are probably now out of date. In Kabushiki Kaisha Nenkan, 1940, five sugar companies and one canning company are listed as owning 81,634 ko of land in Taiwan.

the distribution of land among owners, Taiwan is a country of contrasts. Rich owners, although outnumbered eleven times to one by small owners, had nine times as much land. Thus on the average a rich owner had one hundred times more land than one in the first

two groups. This is extremely important for it shows that the farmers in Taiwan are divided into groups of unequal economic strength with extremes prevailing, so that the situation of the masses of the agricultural population is less satisfactory than the average figures calculated above would suggest. The Japanese government has not solved this question in Japan proper and it has not solved it during forty-five years of its administration in Taiwan."

"The situation in the latter [80] country as regards land distribution is worse now than it was several decades ago and the large holdings are growing.

Distribution of Farmers and Land Tilled and by Size of Farms, 1930

Size of farms cultivated (ko)	Less than 0.5	0.5-0.99	1.0-1.99	2.0-4.99	5 and over	Total
Number of farmers(1,000)	128.0	96.9	100.4	78.9	19.0	423.2*
Per cent	30.3	22.9	23.7	18.6	4.5	100.0
Area of land tilled (1,000ko)	33.7	69.7	143.2	236.1	208.6	601.3
Per cent	4.9	10.1	20.7	34.2	30.1	100.0
Average for groups (ko per farmer)	0.26	0.72	1.43	2.99	11.0	1.63
Average in acres per farmer	0.62	1.71	3.39	7.11	26.15	3.87

*In Nogyo nenkan, 1940, from which we quote, the total is 433,300 but this appears to be a misprint. Even so, it is less than the total should be because, as was shown in the preceding table, there were in the same year 405,181 owners and the number

of tenants was not less than 150,000. In other words this investigation evidently covered only a part of the cultivators. This is proved by the figures of the area of land cultivated.

Source: Ibid."

116, 241, 311, 427, 565

"The figures given above refer to landownership. But the owners of small plots may increase their holdings by renting land. Some economists see the chief advantage of tenancy in the fact that it permits a capable farmer to get as much land as he is able to utilize. We give above the statistics of the size of the farms as actually operated in 1930 [See p. 79, category 116--analyst].

The picture is about the same as that of ownership. More than 30 per cent of the farmers till on the average less than 0.5 ko each (0.62 acres); 53 per cent till on the average less than one ko (less than 1.71 acre) and 77 per cent of the farmers till less than 2 ko (less than 3.39 acres). But 4.5 per cent tilled 30 per cent of the total area, while 579 farmers (or corporations) tilled 66,410 ko. There are therefore a considerable number of very large plantations in Taiwan, chiefly of sugar cane, bananas, pineapples, and tea. These are figures for 1930 and it is quite possible that even then the investigation did not cover all farmers. (1)

1. An indirect proof of this is that a similar investigation made in 1932 covered 340,000 farming families as compared with 405,000 in 1930.

Since 1930 the plantation area has increased sharply, so that the picture should be by now even less favorable. We have no statistics of land ownership by nationalities, but it is well known that all, or almost all, plantations belong to big Japanese companies.

4:Grajdanzev--80 S-4 (no date) 1942 Formosans-2
116, 241, 311, 427, 565

However, it is clear that among Chinese farmers too, there is a sharp division in respect to landownership—there are wealthy Chinese owners, who though few in number, are very important by virtue of the power they wield."

"The tenancy contract in Taiwan, as it was a few years ago, had the following features: (1) (1) It was a short-term contract—for the most part for one year only and cases were

1. For a more detailed description see K. Takahashi Gendai Taiwan Keizairon, pp. 293-303.

frequent where the landlords broke the contract before its expiry. It is possible for them to do this because the tenants are more numerous, there is stiff competition among them, and they cling to the plots which they are able to secure. There have [81] been cases when the term was six years and even ten years (opening of new land or reclaimed land), but these were exceptional. (2) It was almost exclusively an oral contract and in case of conflict the landlords were more successful than the tenants in securing their own interpretation of it. (3) The landlord usually received security from the tenant in money or in kind, amounting to from forty to sixty per cent of the rent, deposited with the owner at the time the contract is made. No interest is paid on this amount. This deposit represents a heavy additional burden on the tenants, who, as a rule, have no cash and are compelled to borrow the money at high interest rates while they themselves do not receive any interest on it. In many cases this results in sub-tenancy—a rich farmer renting land and sub-letting it to poor tenants.

Through the efforts of the government these general features were somewhat changed. The government policy was as follows: (I) the term of tenancy should be five to six years or more; (2) if, after the expiry of the contract, the contracting parties do not denounce the contract within six months, it must be regarded as automatically renewed; (3) in time of crop failure the rent is to be reduced by mutual agreement; (4) in case of arrears (without a justifiable reason) or misuse of soil, the contract may be voided by the landowner; (5) no transfer of land by the tenant can be made without agreement and approval by the landowner; (6) changes in the form of the plot and other changes influencing the productive capacity of the land must be approved by the landowner; (7) if improvements are approved by the landowner, he must bear the expenses of the improvements fully or in part; (8) no contract may be declared void before expiry without sufficient reasons; otherwise compensation must be paid; (9) disputes are to be settled by special arbitration committees.

It is unwise to attach too much importance to these government efforts, however good their purpose may be. True, in 1935 sixty-eight per cent of all area leased was leased under written contracts, while in 1938-39 the percentage had risen to 76.6 per cent. Arbitration committees are established, as well [82] as societies of landowners and tenants, the purpose of which is to bring social peace to the relations between the landowners and tenants as well as to effect a change in the ideology of the farmers. Money

grants from the government-general are made to aid these societies and officials appointed to direct them. But all this does not touch the core of the problem. The problem of tenancy is not to secure the tenant in his lease for one year, or how to distribute the costs of improvements, as this touches chiefly the misuse of power by the landlord. With a secure contract for three or five years, the tenant must still pay the rent, and he has no assurance that the lease will be extended after expiry of the contract. The policy states that in case of crop failure the rent should be reduced by mutual agreement, but in Taiwan it used to be customary for the farmer to pay the rent whether the crop failed or not, and there is no guarantee that this custom will not form the basis of the 'mutual agreement'. In this agreement there is no equality between the opposing parties. The same should be said about the arbitration committees--everything depends upon the degree of influence of the landowners in these committees."

4:Grajdanzev--82-83 S-4 (no date) 1942 Formosans
116, 243, 427

"Nothing appears in the formulated [government--analyst] policy concerning the decrease of rent. According to an investigation by the government-general in 1927, rent amounts to about 27 to 29 per cent of the crop from dry fields, 43 to 45 per cent from paddy when one crop is taken each year, and 49.3 per cent in case of two crops. The low figure for dry fields is more than suspicious, for if the figures of the investigation are correct, the tenant cultivating the dry land is in a better position than the tenant of paddy with two crops.

Comparison of the Position of Tenants on the Best Lands in Taiwan, 1927.

Average figures	Dry field (yen)	Paddy with two crops (yen)
Value of crop (per ko)	366.4	517.7
Rent	100.5	255.7
Balance	265.9	262.0

It is well known that the amount of labor required to till one [83] ko of paddy with two crops is several times greater than the amount of labor necessary to cultivate one ko of dry field, and it is strange that the tenant of the dry land is at the end of the year in a better position than the tenant of the paddy."

4:Grajdanzev--83 S-4 (no date) 1942 Formosans
116, 171, 427

"Rent is paid chiefly in kind, though payment in cash is spreading. Where two crops are raised, a proportion of 7:3 is usual, i.e. the tenant pays seventy per cent of the rent from the first crop and thirty from the second. Rents in Taiwan are somewhat lower than in Japan, and Takahashi attributes this to the greater investments in the form of land improvements in Japan as compared with Taiwan."

4:Grajdanzev--83 [2] S-4 (no date) 1942 Formosans
116, 241, 361, 427

"Let us now consider the economy of the tenant. We saw that the tenants and semi-tenants make up about sixty-nine per cent of all the agricultural families. From the table on page 79 it appears that seventy-seven per cent of the farmers (the first three groups) cultivate on the average 0.75 ko each. These two groups should coincide approximately. "

4:Grajdanzev--83-84 S-4 (no date) 1942 Formosans
116, 241, 427, 511, 556

"We have no recent figures of tenancy conditions but, according to an investigation made in 1927, the position of the average farmer-tenant appeared as follows (on land of average quality in paddy with two crops a year):

	yen
Value of crop from 0.75 ko	325
Rent	160
Balance	165

Thus his reward for his and his family's labor for the whole year was ¥165, minus the expenses of production apart from labor. From this sum house taxes, indirect taxes, etc. must be paid. This income of ¥165 may be compared with the income of a landowner who had 15.5 ko (the average for the upper group of landowners) and leased all this land to tenants. His yearly income would be ¥2,480.

These conditions may not exist now, since the above figures refer to 1927. Official sources do not give new figures, but a few calculations show that the situation has not greatly changed. As has been shown, the proportion of tenants to the total number of farmers has increased since that time, so [84] that competition among them must be stiffer, and there is no reason to expect that rents are lower. The value of two crops of rice from 0.75 ko of paddy in 1937 averaged ¥515 but prices general in 1937 were at least thirty per cent higher than in 1927. All this suggests conditions of poverty among the tenants and the position of even the majority of so-called owners may be not much better."

8: Chen--441 N-3 (no date) 1951 Formosans
427

"According to the 'Survey on Farm Rent Economy' published in 1947 by the Formosa government, the average rent for paddy fields is about 48 per cent of the value of the products; that for dry fields is 33 per cent."

423 ownership and the collection of taxes difficult. For this reason in the later years of the Manchu rule, Liu Ming-Ch'uan, an able and far-sighted governor, tried to abolish it. Meeting with stiff opposition from the landlords, his plan was doomed to failure. Liu's project however, was finally carried out by the Japanese government. Between 1898 and 1905 a land survey was completed. In 1903 the existing first titles were confirmed, and further establishment of them was prohibited. In the following year the system of double titles was abolished, and the holders of first titles were compensated by a total sum of 3.78 million yen in bonds. After this all the holders of secondary land titles were recognized as the sole owners and thus the embryonic feudal system was abolished.

3. Relation between Landlord and Tenant

• 427 The relation between landlord and tenant was generally analogous to that between father and son, and the son was expected to obey the father. Besides paying high rent for the land, tenants presented their landlords with chickens and the like at festival seasons, and were expected to work for the landlord when he requested their help. Though tenants were not serfs, their status was obviously much lower than that of the landlord. This situation continued to the 1920s. The social movement of the Taiwan Cultural Association awakened

427 the social consciousness of the farmer, and Farmers' Association encouraged the farmers to oppose their landlords. Hitherto tenancy had been based mainly on oral contract, and, even where there were written contracts, the terms of tenancy were ambituous. To mitigate the situation, the Japanese administration sponsored Landlord-Tenant Associations, and proposed various measures for improvement in the land tenancy system. The Landlord-Tenant Associations recommended written contracts and the extension of the terms of tenancy. But unwilling to give up their privileges the landlords resisted these recommendations. However, the tenant farmers were aroused by the agitations of the reform movement; many of them abandoned the custom of bringing their seasonal presents to the landlord.

423 427 Shortly after the restoration of Formosa to China, a rigorous land reform program was begun. Under this program, all farm leases are required to be in writing according to a form promulgated by the Taiwan Provincial Government. The obligations and responsibilities of both the landowner and the tenants are definitely specified. As a result, the tenants may deal with landlords on equal terms, and democratic relationships are established. 466 Simultaneously, the relations between the employer and the employee in industrial establishments underwent similar changes.

668 the remaining left wing of the association split again into the communistic and the social-democratic groups, and the latter was expelled from the association. The moderate Taiwan People's Party again split into the conservative rich landlord group and the more radical middle class group. The former group organized the Taiwan League for Local Self-Government in 1929, and in the meeting of the party in 1930, was expelled by the more radical group. But at the same time, the party was disbanded by the colonial government. Thus, by 1930, among the Formosans, there were (1) a communistic group, (2) a social-democratic group, (3) a more radical middle-class group, and (4) a conservative landlord group.

474 427 668 671 2. Farmer's Associations: The influence of this movement could not fail to reach the farmers. In 1924 a dispute arose between sugar cane farmers and a sugar corporation. Under the leadership of a local doctor, the dispute was settled in favor of the farmers. This encouraged the farmers, and in next year the Association of Sugar Cane Farmers was organized. Some farmers had reclaimed government-owned land without permission. This was denounced as illegal, and in 1926 nearly four thousand hectares of this kind of land were distributed to 370 Japanese retired officials. This provided impetus for farmers

474 to unite and fight. Moreover, farmers were
427 under the heavy yoke of the landlord, and
668 most of landlords were local people. On
671 Formosa, 53 per cent of the farm land was tenant land, and tenants had to pay about half of their harvest to the landlord as rent. Moreover, the tenant farmer has various other obligations toward the landlord. This situation was unbearable even to the most subservient tenants, and they often submitted complaints against landlords to legal arbitration. Under the threefold pressure of the sugar corporation, retired Japanese officials and landlords, the farmers were always ready to rebel at the slightest provocation. The sparks kindled in 1924 spread and many farmers's association were organized. It is interesting to note that the name of the association thus organized was not the "association for agriculture," but the "farmer's association." In 1926 these local associations were united into the Taiwan Farmers' Association. Campaigns against the landlord under the direction of the association rapidly increased. There were 5 such cases of disputes in 1924, 4 cases in 1925, 15 cases in 1926, in 1927 the number jumped to 431 cases (2,127 persons involved) and in 1928 dropped back to 134 cases (3, 149 persons involved) in 1928. The magnitude of the dissatisfaction stimulated the Japanese to action and suppression was begun in 1929. With the Japanese invasion of Manchuria in 1931

ruthless means of suppression were adopted in the name of internal consolidation. The cases of farmers opposing landlords dropped sharply to 23 cases in 1929, 28 cases in 1930, and 16 cases in 1931. However, the influence of the movement on Formosan society, especially on social relations between landlords and tenants was undeniable. The government sponsored landlord-tenants associations after 1924 were a means to mitigate the tense situation of the time.

3. Labor Unions: The new social currents also reached factory workers. Labor unions for various trades were organized, and in 1927, 29 local unions were federated into the Taiwan Federation of Workers Unions. At the end of the year participating units increased to 65, and the number of members amounted to 7,861. In 1928 the League of Taiwan Mechanical Workers was organized under separate leadership. Several strikes were directed by the leagues. Both the farmers associations and the worker's unions received co-operation from associations and unions in Japan. Generally speaking, because of the backwardness of Formosan industry at that time, the activity of labor unions was not as conspicuous as that of the farmers. The activity of the union also faded out under the pressure of government suppression in 1929 and 1931. In 1932 almost all labor leaders were arrested, and in 1937, the year

423 The foregoing tabulation shows that
162 tenants and part-tenants who own no land, or only part of the land they till, constituted 65 per cent of the farm population, and only 35 per cent were independent farmers. The scarcity of land coupled with inequitable distribution led to the continued exploitation of the tenant farmer by the landlord.

• 427 Prior to 1949 the land rental averaged 50 per cent of the total yield per annum; in some cases more. In Taichung and Hsinchu there were instances where the tenants paid to the landlords 70 per cent of their annual harvest. In addition to the high rental, the tenants often were required to pay the landlord a large rent deposit. Then there was uncertainty of tenure. In most cases there was no written lease. Even when there was a written contract, the period of lease generally covered only one to two years, or was not definitely stated. This left the landlord free to terminate the lease at will. Since the dispossessed tenant was not entitled to any compensation, the resulting hardship could be easily imagined. The need for reform was evidently urgent.

II. LAND REFORM

423 Land reform for the sake of social justice was advocated by Dr. Sun Yat-sen,

423 founder of the Republic of China, in his San-min Chu-i.[5] He called it the Land-to-the-Tiller Policy. It had been tried out in the provinces of Szechwan, Kwangsi, and Kweichow after World War II and met with some degree of success; but the reform program was interrupted by the Communist uprising. When Gen. Chen Cheng became the governor of Formosa in December 1948, he undertook with great zeal and determination to carry out the much-needed land reform in the insular provinces.

423 185 With the aid of the Sino-American Joint Commission on Rural Reconstruction (JCRR), a detailed program of land reform was mapped out. The program was to be carried out in three successive stages, namely, reduction of farm rent in 1949, sale of public farm lands in 1951, and redistribution of private lands in 1953.

A. Rent Reduction

423 429 On April 14, 1949, the Taiwan Provincial Government promulgated a set of regulations

5. San-min Chu-i [The Three Principles of the People], Taipei, China Cultural Service, reprinted 1953, p. 187.

governing the lease of private farm land in the province, which limited farm rent to 37.5 per cent of the annual yield of the main crop. The new law provides that if the rent originally agreed upon exceeds this perc[illegible]ge, it must be reduced accordingly. If it is le[illegible] than 37.5 per cent, it must not be increased. It represents a substantial reduction from the customary 50 to 60 per cent that most tenants had been paying. Moreover, "the total annual yield" does not mean the actual annual yield on the farm; it refers to the standard amount of yield fixed on the basis of the productivity grade of the land at the time of lease. A standard amount was determined by the Rent Reduction Committee in each locality to conform with current conditions. As long as the lease remains in force, this standard amount is not subject to change. As a result of the reform, not only the customary amount of rent is reduced, but the increased production from the land resulting from the tenants' extra efforts (such as the increasing use of fertilizers, improvement in farming practice, etc.) is fully enjoyed by the tenant themselves; the basis for rent calcualtion is fixed and not subject to change.[6]

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6. T'ang Hui-sun, "Steps in the Implementation of Land Reform in Taiwan," in Land Reform in Free China, published by Free China Review, Taipei, May 1, 1953, pp. 8-9.

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402 In case of crop failure, the tenant farmer may request the Farm Tenancy Committee of the village, township, or district office to investigate the extent of loss and decide on measures for the reduction of rent. Should the total yield be less than 30 per cent of the normal yield, the entire rent payment shall be remitted.[7]

To guarantee the security of tenure it is further provided that all lease contracts between the landlord and the tenant must be written and registered with the government. The Farm Rent Reduction Act of 1951 specifies that the period for which farm land is leased shall not be shorter than six years. If the period originally agreed upon is longer than six years, it shall remain unchanged.[8] At the expiration of the lease, the right of the landlord to take back his own land is subject to many restrictions.[9] Even if the land is offered for sale, the tenant has the right to continue using the land during his tenure. In other words, the landlord may transfer his right of ownership, but not the right of use.

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7. See Article II, Farm Rent Reduction to 37.5% Act, promulgated by the Chinese National Government on June 7, 1951.
8. Ibid., Article V.
9. Ibid., Article XIX.

The benefits of the rent-reduction program are noticeable in the improvement of the tenant farmers' living conditions. The saving in rent payments, amounting 25-30 per cent of their gross income, can now be used to buy new clothing for their families, to send their children to school, to repair their houses, or to purchase farm land. They also work harder because any inc reace in production accrues to them. This factor contributed to the substantial annual increase of rice production from 1949 to 1954.

Production of Unhulled Rice*

Year	Metric Tons
1949	1,215,000
1950	1,421,000
1951	1,485,000
1952	1,570,000
1953	1,642,000
1954	1,695,000

* Taiwan Economic Data Book, compiled by FAO Mission to China, Part II, Vol. III, March 1955, Taipei, p. 5. The average production of rice perhectare increased from 1,624 kilograms in 1949 to 2,183 kilograms in 1954. Central Daily News, Oct. 22, 1955, p. 3.

423 Another effect of the rent reduction is
425 the steady decline in the price of land cultivated
427 by tenant farmers, because the reduction of rent has lessened the landlords' interest in making investments in land and stimulated their desire to sell it. At the same time, the increase of farm income has enabled some tenant farmers to buy land. According to the statistics of the enforcement of the Rent Limitation Program compiled by the Provincial Land Bureau, 66,328 tenant families bought 35,522 chia (85,139 acres) during the five-year period[10] from 1949 to 1953.

B. Sale of Public Lands

423 The reduction of rent relieves the tenant farmer of his excessive financial burden, but it does not satisfy his wish to own the land he tills. The ultimate object of land reform is to help the tenant to realize his cherished dream of owning the land he and his forefathers have tilled for decades.

Over 20 per cent (181,490 chia or 434,900 acres) of the total arable lands[11] in Formosa belonged to the government. They

10. T'ang Hui-sun, op. cit., p. 64.

11. Total area of farmland in Formosa in 1949 was 891,689 chia, or 1,137,200 acres, and public land amounted to 181,490 chia, or 434,000 acres.

423 From these summaries we can assume
• 427 that the land reform program not only has succeeded in doing away with the exorbitant rental that the Formosan tenants were obliged to pay, but has succeeded in changing 383,104 tenant-farmers to owner-farmers. In five years the area of tenanted land has been reduced from 41.1 per cent to 16.3 per cent of the total farm land. Land reform is certainly the most noticeable achievement of the Chinese Nationalist Government since the island reverted to its control.

The measures of land reform in Formosa are both moderate and equitable, and have been well supported by the general public, although some complaint and opposition did arise from the landlords who had been deprived of the opportunity to exploit their tenants and who had been forced to sell their surplus land to the government. But the interests of the landlords have not been altogether neglected. They are reasonably compensated, and to guard against the loss by possible inflation, they are repaid yearly with commodities, not with currency. Part of their compensation is paid with industrial stocks, thus turning capital investment from agricultural into industrial channels. They fare better than the large Japanese landowners. The Japanese Land Reform Act of 1946 was imposed by the Allied occupation forces. The landlords were paid with government bonds, the value of which

423 was entirely wiped out by subsequent devaluation
427 of the currency. The Formosan landlord should be especially contented, when he ponders the lot of his brothers on the Mainland. In sharp contrast with the moderate measures in Formosa, the Communists liquidate the landlords, confiscate their land, and make collective serfs of the peasants. The effect of the land reform in Formosa is expected to be more far-reaching than the economic betterment of the peasant class; it is an important asset of the Nationalist Government in anticipation of the liberation of the China Mainland.

423 In connection with the successful
241 redistribution of land in Formosa, it should be added, however, that we must not assume the economic problems of the Formosan farmers who comprise 52 per cent of the total population have been completely solved. First of all, the average size of the farm is too small for economic sufficiency, for 47 per cent of farmer families own less than 0.5 chia (1.2 acres) of farm land, 70 per cent own less than one chia (2.4 acres) and 93 per cent less than three chia (7.2 acres).[26] The average

26. From Statistics on Landownership Classification in Taiwan China, 1952, compiled by Provincial Land Bureau, Taipei, June 1952.

52:Barclay S-5 (nodate)1954 AD1 Formosa AD1

CHAPTER II

"Economic Development" in Taiwan

RULING TAIWAN was a task that the Japanese approached with high hopes. Because their goals were ambitious, the problems were more formidable than they might have been with a more modest and conventional colonial program. Their officials in Taiwan were the first overseas administrators in the Empire, and felt a responsibility to make the colony appear worth while at home.[1] Whatever their wider aims, their strongest aspirations for the island expressed themselves in energetic economic policies—policies pursued with such determination that they profoundly altered many aspects of Taiwan's economic life. In the course of their administration, Japanese nationals came to look upon enhanced production with a two-fold purpose: to secure profits for certain individuals and groups, and to promote the self-sufficiency and military strength of the Empire.

Here we shall examine the techniques of their economic program, survey its operation, and endeavor to make some appraisal of the accomplishments. A closer view of its significance for the everyday affairs of the population is reserved for the next chapters.

The situation that the Japanese first encountered in Taiwan was one of long-established tradition, in which a small amount of innovation could go a long way. Agriculture was the main source of livelihood for practically all Taiwanese. The particular manner in which farming is organized in Taiwan tends, as it does in most of the Far East, to shield it from the intrusions of the modern world. Under the Manchu regime the Chinese inhabitants of Taiwan had developed farming along the familiar lines of their forebears on the China coast. Farms existed on a local village scale and were operated for local subsistence. Most of any exportable surplus of production was removed from the villages in the form of taxes or rent. What was left became absorbed in the costs of civil disturbance, misgovernment, and expansion of settlement, rather than going toward broadening commercial or other opportunities of the cultivators themselves. Whatever may bring about such a situation, it is one that tends to

[1] Most of the later Japanese publications about Taiwan's future also stressed the island's potentialities as a base for southward expansion of the Empire. The grandeur of these proposals suggests that some of them may have been invented in search of favor for their authors more than in serious expectancy of being carried out.

52:Barclay S-5 (nodate)1954 ADl Formosa ADl

against climate and short-term deterioration in use, against destruction through violence, and against decline in the income that it produced. Since the farming population was increasing within a fairly definite area, it had additional value in speculation. Land was also relatively safe against confiscation by the government; not only could its ownership be hidden from casual inspection, but the government itself depended on the obligations owed to landlords by tenants to uphold its authority. Under agrarian conditions of farming on a small scale it is impossible to cultivate large holdings of land under a single management. Hence, the only way to amass large wealth is to become a landlord—beyond some point, necessarily an absentee landlord. In early Taiwan, considerable concentration of landholdings was reported. Ownership tended to gravitate into the control of large and powerful families, whose influence was the only recourse of government officials in asserting their rule.[7]

On the economic side, this concentration of wealth was not given a chance to develop into industrial-type investment. The landed gentry, often landed on considerable scale, were the only group of persons who had access to sufficient income to become capitalists.[8] Practically, however, it proved more secure and profitable to let out their lands to tenant farmers. When they branched out into different enterprises, it was as an adjunct to their status as gentry. In South Taiwan, for example,

> ". . . sugar was manufactured from the cane grown upon the owners' plantations, or from that brought from elsewhere. The cane was grown by the tenants, or by those who through being heavily indebted to the landowner stood in the same relation as retainers . . . under it [this system] the master of the sugar factory secures a threefold profit.
>
> 1. As landlord, he claims from his tenants from 15 per cent. to 20 per cent. of the cane as rent.

[7] One might suspect that, as in China, members of these families *were* the officials at lower levels of administration. But there is no direct evidence on this point, aside from frequent references to the fact that *clan* solidarity, imported to Taiwan by the migrants from South China, was one of the few bases for organizing any kind of joint action by Taiwanese on a large scale.

[8] The government was unable to fill such a role itself for reasons already noted. Officials, who were not permanent fixtures in Taiwan, confined their acquisitive energies to foreign commerce, where returns were quicker and they did not need to make long-term commitments. For example, it is significant that the government almost never operated its own monopolies, but let them out to many private agents and taxed the products as they were exported.

52:Barclay S-5 (nodate)1954 ADl Formosa ADl

2. As capitalist, he secures 14 per cent. to 24 per cent. interest on all the money he may have loaned to his tenant.
3. In order to cover the running expenses of the sugar factory he, as master, appropriates half the cane brought in by his tenants.

"These vast profits leave very little for the poor tenants, who have therefore no means of improving the soil, but fall deeper into debt, until at length they become mere slaves of the sugar factor. This system has proved the greatest hindrance to the growth of the business."[9]

Establishment of Japanese Authority

Japan's objectives in enlarging its Empire required a more energetic administration. With the background of past failures, it is understandable that the Japanese who first arrived in Taiwan met difficulty in trying to impose this kind of rule. It quickly became evident that neither profit nor political dominion was assured to them without some extraordinary measures.

Japanese first installed themselves in economic life exactly where outsiders had done so in the past—at the periphery of traditional marketing and property relations. They remained most active, as we have seen, outside the realm of agriculture proper. Through their steps in gaining access to the old agrarian institutions, we can now begin to see how far these changes impinged on agriculture itself. The Japanese did not proceed by sheer force, nor simply in a form of "economic penetration." The control was made effective by wedding the two channels—business and government—and by manipulating the pre-existing situation from a few vantage points at the outside. To make a success of this endeavor, the Japanese found it expedient to leave much of this rural social structure almost intact, and turn its basic features to their own account.

Histories of Taiwan over this period usually emphasize only the opposition to the new government that was overt and armed. But it was not by military conquest that the Japanese eventually secured the lowland area of the island. The military aspect was over quickly. Organized resistance collapsed by the end of 1895. Within a year or so after formally taking possession, Japanese became aware that direct attempts to alter the old rural state of affairs were too costly and slow, and were ineffectual against guerrilla bands that had wide-

[9] Takekoshi, Yosaburo (1907), p. 243.

1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien AD5
Formosa AD1

the main products. Rice growing played little part in the economy. The almost total lack of irrigation, presumably combined with a high mortality rate, prevented any rapid increase in population. There were not even enough people to exploit the land fully.

The present area of Hsin Hsing was at that time the site of only a few scattered households. The inhabitants were so few and so weak, and the bandits so many and so strong, that Hsin Hsing and eleven nearby villages formed a mutual protection association. When a village was attacked by bandits, it sounded large gongs as an alarm signal; the signal was relayed from village to village, and the able-bodied men rushed to the aid of the community under attack. The associated villages still maintain an informal organization today, though its function is now the production of a joint annual religious procession (which will be discussed in Chapter 8).

The coming of the Japanese to Taiwan had major repercussions not only for Lukang but for the Hsin Hsing village area generally. Once their rule was established on the island, the Japanese moved quickly to bring about law and order by suppressing the bandits. They eliminated the lawless element from the countryside and brought new security to the village people.

The Japanese also took in hand the extreme complexities of a tri-level land tenure system of landlords, tenants, and subtenants. (See details in Chapter 4.) In order to establish clear property rights and increase the efficiency of tax assessment and collection, the Japanese carried out extensive land surveys from about 1898. In 1905 the "Land Investigation Regulations" were promulgated; they resulted in a greatly simplified land tenure structure which included only landlords and tenants. This basic system is still in force today. Even in more recent years, although the Land Reform Program of the Chinese Nationalist government modified the internal content of the land tenure structure, its form has remained roughly the same.

At the same time, the Japanese gradually extended the irrigation system to serve much larger areas (see *Pu Yen Chuang Yen Ke Chih*)[4] as part of their effort to integrate the colonial area of Taiwan into the Japanese economy. The development of a major irrigation system enabled the agricultural population to expand its rice production greatly, and this rice ultimately became its major export to the Japanese homeland (Barclay, 1954b:18–42).[5]

The expansion of the irrigation system, accompanied by a greater emphasis on agriculture in the area, occurred at about the time that the main impact of the closing of the port of Lukang began to affect the villagers, who thus lost the opportunity to supplement their livelihood by working in the port. The increased irrigation meant that wet-rice could be planted profitably. Wet-rice production demands a

1:Gallin E-4,5 (1957-1958) 1966
AD5 Taiwan Hokkien
Formosa AD1
Taiwan AD6

and then hired other people, usually immigrants from the mainland, to cultivate the land for them as their tenants.

As the population increased in the later years of the Ch'ing administration there was increasing pressure on the land, and many tenants began to sublease part of the land to others. These subtenants became the lowest rank in a three-stage hierarchal structure of land tenure (Ginsburg, 1953:26–27, 32–33; Grajdanzev, 1942:72–84; T'ang, 1954: 23–27).

In 1904, nine years after taking control of Taiwan, the Japanese government altered this hierarchal system of land tenure by buying out the original landowner and conferring the rights of ownership on the tenant. When, in 1923, the Japanese applied the Japanese Civil Code to Taiwan, full legal rights were given to the new owner (the former tenant), who was now officially known as "landlord."

This move benefited the original tenant who was given full ownership rights, but it did nothing to improve the lot of the mass of actual cultivators (now tenants instead of subtenants) whose land rent was no lower than before. As a result, "tenancy disputes" became more numerous beginning in 1927. In that year the Japanese authorities encouraged the formation of local associations of landowners and tenants which were charged with the responsibilities of promoting better relations between landlord and tenant, preventing tenancy disputes, and fostering agricultural production (T'ang, 1954:26). Although many such associations were formed, "the question of farm rents was entirely outside of the jurisdiction of these associations. It [the rent question] was not only left unsolved, but there was even a marked tendency for farm rents to keep on increasing" (T'ang, 1954:26).

In 1939, in the midst of the Sino-Japanese war, the Japanese government issued a rent control law which was applicable to Taiwan and Japan alike. This law had little effect in Taiwan because it did nothing to reduce rents; it only stabilized the situation. (See Grajdanzev, 1942:72–84, especially p. 82 for a discussion of the Japanese attempts to deal with Taiwanese land tenure problems.)

Although the farm tenancy system continued, after 1945 the Japanese rent control law of 1939 was no longer enforced when Taiwan reverted to Chinese rule. With the increase in the rural population and the general upset of the island's economy, farm rents began to rise, and demands increasing security and rent deposits were made. Worst of all, in many cases tenants were arbitrarily evicted (T'ang, 1954:25–28).

Tenancy had been a great problem in Taiwan under both the Japanese and the Chinese since landownership was concentrated in the hands of relatively few owners (Klein, 1958:53; see also his Tables 17 and 18). "The high rate of tenancy reflects the great scarcity of cultivable land in Taiwan in relation to the demand for it. Land-

36: Rowe S-4 (no date) 1955 AF1 China AF1
Form. osa AD1

was that the Taiwanese were accustomed to the peace and order of a country under a foreign tyranny, and could not, at first, understand the "lack of uniformity" and "the complexities" of democratic rule (thanks to the Japanese, on the other hand, they had no illusions about or yearnings after Communism). Finally, the men who governed Taiwan immediately after the retrocession gave every evidence of being more interested in increasing their power and lining their pockets than in providing good management. When, therefore, the Nationalist government moved to Taiwan in 1949, it found that it had taken on numerous grave local problems in addition to those it had brought with it from the mainland.

Political Reform

The Kuomintang, the leading political party, prepared itself to deal with these problems by putting itself through a reorganization. Its younger, more liberal leaders were, to this end, appointed to a Central Reform Committee, the main task of which was to strengthen and tighten party organization and eliminate corrupt elements, opportunists, and bureaucratic politicians. On 1 September 1950, the Nationalist government was ready to announce a new political program. Its objectives were to

> encourage private enterprise to the extent of avoiding monopolistic combinations and to transfer government-operated light industries to private ownership; to establish a democratic industrial system in which the workers' welfare is safeguarded by allowing them a share and a voice in the ownership and management of private enterprise; to promote the interests of tenant farmers and farmers through land reform, water conservancy, and land reclamation; to carry out local self-government and to protect civil rights.

Local self-government and land reform were the fields in which the government brought about the most spectacular changes. It first removed all the social barriers and segregation measures that had been created and maintained by the Japanese. The native Taiwanese were no longer barred from institutions of higher learning, or from the worthwhile positions in commerce and politics. They were encouraged to participate in local self-government, and to think for themselves. By 6 May 1951, 21 mayors and magistrates in 16 counties and 5 municipalities had been elected to their respective offices by popular vote. There are now 6304 village and *li* (comparable to urban wards) assemblies, in which the Taiwanese are learning the art of self-government. Representing them in town and district assemblies are 8024 village and *li* delegates. On the county and municipal levels, there are about 541 popularly elected councilmen. Of an estimated 2,650,000 qualified men and women voters, some 2,416,072 are registered. In keeping with the government's policy of economy, the total number of government employees was reduced in June, 1950 to 81,000. The percentage of indigenous citizens in the government service rose to 65.46 percent.

There has also been a marked change in the importance and responsibility of the posts held by Taiwanese. In the category of first class officials, indigenous personnel have increased from 0.92 percent under Japanese rule to 17.45 percent in the present government. In the category of second class officials, indigenous personnel rose from 1.29 percent to 25 percent.

Land Reform

The other outstanding reform accomplished by the government has been the carrying out of a new land reform program, which has greatly benefited the lot of the farmers, who are no less than 60 percent of the population. For the 70 percent of the farmers who are

C F 423 427

tenants there has been a rent reform program, which went into effect in 1949 and set a maximum rental ceiling of 37.5 percent of the total yield (average rental had theretofore ranged from 46 to 62.5 percent of the total yield). The income of tenant farmers has, in consequence of the program, risen by an average of 30 percent. The reform legislation provides that where the main crop yields are less than 20 percent of normal the tenant shall not be required to pay any rent at all. It also gives the farmer security of tenure (landlords may no longer refuse to renew contracts in order to re-rent on more favorable terms), and it restricts landlords' right to dispossess tenants. By 1951, 97.54 percent of the tenant farmers had completed new contracts under the new law, and the landlord problem had been brought, for the most part, under control. The price of land has steadily declined, which, of course, enables more and more tenant farmers to buy land to own. The rent reduction program has been carried out in cooperation with a Chinese-American organization, the Joint Commission on Rural Reconstruction, which is responsible for a program of general agricultural improvement: the construction of irrigation dams and canals, reclamation projects, the making available of better seeds and fertilizers, animal disease control, the organization of farmer associations and rural cooperatives, and rural health measures.

C F 241 654

By the end of the period 1950–1951, the use of US-financed fertilizer had brought rice production to the highest peak in the history of Taiwan. In exchange for much-needed foreign currency, twenty-two thousand, five hundred eighty-seven metric tons of Taiwan's surplus were exported to Japan and South Korea. Other foods basic to local consumption were also above peak prewar production levels. Sweet potatoes were up 20 percent, wheat 165 percent, and peanuts 89 percent. Considering the handicaps under which the government started, the economy of Taiwan is now surprisingly stable, largely because of the increased agricultural productivity reflected in the foregoing statistics.

C F 652

Economic Reform

In 1949, to meet the economic crisis precipitated by the soaring inflation of the Chinese National currency, to which the Taiwan dollar was then linked, a fresh start was made by introducing a new currency, linked to the US dollar and backed by gold bullion brought over from the mainland. At the same time, a series of deflationary measures were enlisted. The government's expenditures, for example, were curtailed by reducing its personnel and cutting back certain of its activities; at the same time, its resources were increased by means of a new luxury tax (based upon ownership of property, including cars and refrigerators), a defense tax, the floating of bonds, and the sale of government assets. The program, as a whole, had the effect of encouraging private enterprise, so that the usual sources of revenue (customs receipts, returns from the salt monopoly, the postal services, and assorted government enterprises in fields like telecommunication, air transport, navigation, petroleum, aluminum, gold, coal, copper, and steel) became more productive.

C F [377] [249] 433

Industrial Recovery

In industry, Taiwan's return to prosperity has been extremely rapid. At the time of Japan's surrender, the annual coal production had dropped to 776,000 metric tons (as compared to peak production of 1,182,635 in 1941); electric power had fallen off to 52,646 KW (as compared to the peak load of 152,355 KW in 1943); the production of sugar (the chief product for export) had declined to 86,073 metric tons (as compared to 1,418,000 metric tons before WW II), that of cement to 78,000 metric tons (as compared to peak production

AF1 China
FORMOSA AD1

652 Thus far, the provincial budgets have been balanced in recent years. How long the improved financial outlook will continue depends on a number of factors. Undue strain on provincial resources has been avoided by using assets brought over from the mainland and by selling government properties. Indirect benefits derived from the Economic Co-operation Administration program, which for the fiscal year 1951 amount to approximately US$40,000,000, help to arrest the inflationary trend of commodities.[29]

Living Conditions

511 In the absence of comprehensive statistics establishing the trends of per capita income in Taiwan,[30] the Nationalist policy of improving the people's livelihood may be reflected by the measures which have been taken regarding agriculture, industry, food, and other government-operated productive services.

Agriculture

[162] 427 Farming population in Taiwan is estimated to be around 3,800,000. Of this number, 70 per cent are under contract as tenant farmers. Prior to the enforcement of the rent reduction program in April 1949, which set a maximum rental ceiling of 37.5 per cent, the average rental ranged from 46 to 62.5 per cent of the total yield.

In administering the rent reduction program, the provincial authorities fix a standard yield per *chia* (less than 2.5

[29] "Economic Administration Program in Taiwan," an address by Raymond T. Moyer, chief, ECA, China Mission, before the Chinese Association for the United Nations, March 17, 1951.

[30] Premier Chen Cheng states that per capita income in Taiwan has risen 30 per cent since the termination of Japanese rule (Broadcast of the Voice of Free China, Taipeh, May 12, 1951). Also estimated income in Taiwan for 1950 is NT$1,276,000,000 and for 1951

[P. 218 (4)]

52:Steiner S-4 (no date)1951
AF1 China
FORMOSA AD1

427 acres) as a measuring stick for rental calculation. It varies with the fertility of land in different sections of Taiwan. To prepare the farmers for the acceptance of the program, 9,937 persons were sent to the rural areas in 1949 to acquaint them with the operational details. They were followed by 1,257 trained persons who helped farmers to readjust their rental contracts. By November 1949, 306,473 families were given "37.5-contracts" in conformity with the program. Finally, 26 provincial inspectors toured the island to check the results. 434 The income of the tenant farmers was estimated to have registered an average gain of 30 per cent, ranging from 0.9 per cent to as high as 70 per cent in comparison with the pre-reform period.[31]

653 Pertinent to rural rehabilitation are the public works being done in dike repair and construction, irrigation, and land reclamation. Briefly, from 1947 to 1950, some 10,983 meters of new dikes were built, in addition to 65,288 meters repaired. Since 1946 a yearly average of 9,972 hectares of land has been brougnt under irrigation, in comparison to an average of 9,428 hectares under the Japanese.[32]

433 A review of statistics also shows varying degrees of gains in agricultural production.[33] For instance, for 1950 the

NT$1,432,000,000 (*Taiwan Today*, cited note 11 *supra*, pp. 59–61).

[31] For statistical data on the rent reduction program, see Land Bureau, Taiwan Provincial Government, *37.5 Rent Reduction Program** (Taipeh, 1949), pp. 1, 19, 34; *Taiwan Today*, cited note 11 *supra*, p. 90; *Taiwan Reconstruction**, cited note 12 *supra*, Vol. 2, p. 383; Vol. 1, p. 25.

[32] *Taiwan Reconstruction**, cited note 12 *supra*, Vol. 1, pp. 227–28, also for comprehensive data, pp. 227–43. For a general descriptive and statistical presentation of the subject, see Taiwan Provincial Government, *Water Conservancy and Irrigation**, Taipeh, 1949; also *Reclamation of Waste-land**, Taipeh, 1949.

[33] For detailed statistical data on agricultural production, see Taiwan Provincial Gov-

[P. 218 (8)]

52:Steiner S-4 (no date)1951
AF1 China
FORMOSA AD1

625 wine, tobacco, and salt in violation of government monopoly, and violations of the 37.5 rent reduction program.

Conclusions

643 In describing the Nationalist government policies, 1949–51, the writer has sought to ascertain their nature and contents by recounting a chain of events which set the political pattern in contemporary Taiwan and by a survey of what has taken place since. From them may be drawn the following tentative conclusions:

1. Generalissimo Chiang Kai-shek and his supporters have been exercising a dominant role in National Government policies, 1949–51.

665 2. While there are three known political parties active in national politics in Taiwan, the Kuomintang, as presently constituted, is the ruling party.

631 3. The political framework in Taiwan may be described as one of over-all political control by the Nationalist government, centralized management by the provincial government, and local self-government, still in its preliminary stage, at the municipal and county levels.

652 4. The National Taiwan currency has exhibited a degree of stability which compares favorably with that in most postwar countries having suffered from war devastation.

5. Nationalist government assets and reserve, sale of government properties, and ECA assistance are contributing factors in balancing the provincial budgets in recent years.

427 6. The 37.5 rent reduction program has contributed towards rural well-being, along with the projects sponsored by the Joint Committee on Rural Rehabilitation.

433 7. There has been an upward trend in agricultural and industrial produc-

[p. 222 (B)]